

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities

Date of Meeting: December 16, 2005

Time of Meeting: 8:15 a.m.

Place of Meeting: Art Pick Council Chamber, City Hall
3900 Main Street (at Tenth & Main Streets)
Riverside, California

PLEDGE OF ALLEGIANCE WAS GIVEN TO THE FLAG

Roll Call

| | | |
|----------|----------------------------|---------------------------|
| Present: | Peter Hubbard (Chairman) | Jim Anderson (Vice Chair) |
| | Bob Stockton | Ken Sutter |
| | Joe Tavaglione | Greg Kraft |
| | Conrad Newberry, Jr., P.E. | Dave Barnhart |
| | Lalit Acharya | |

Assistant City Manager Michael Beck attended this meeting.

MINUTES

- (1) The regular meeting minutes from the Board of Public Utilities meeting held on December 2, 2005 was approved as submitted.

Motion – Tavaglione. Second – Acharya.

Ayes: Hubbard, Anderson, Barnhart, Tavaglione, Sutter, Stockton, Acharya, and Newberry, Jr., P.E.

Noes: None

Abstain: Greg Kraft

Absent: None

CITIZENS PARTICIPATION

No comments were made.

COMMITTEE REPORTS

PROPERTY COMMITTEE REPORT

The Board of Public Utilities accepted and filed the December 2, 2005, Property Committee minutes.

FINANCE/MARKETING COMMITTEE REPORT – The Finance/Marketing Committee meeting scheduled on December 9, 2005 was cancelled.

ELECTRIC COMMITTEE REPORT – The Electric Committee meeting scheduled on December 14, 2005 was cancelled.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar with the exception of Item 2, **STREETLIGHT INSTALLATION PROJECT, SUBPROJECT NO. 050013-01**, and Item 7, **PROPOSED CHANGES TO WATER UTILITY RULES AND DEVELOPMENT FEES**, which were moved to the Discussion Calendar:

Motion – Sutter. Second – Anderson.

Ayes: Hubbard, Anderson, Barnhart, Tavaglione, Sutter, Stockton, Acharya, Kraft, and Newberry, Jr., P.E.

Noes: None

Abstain: None

Absent: None

ELECTRIC ITEMS

(2) MOVED TO DISCUSSION CALENDAR

(3) HVAC ADDITIONS AT SPRINGS GENERATION FACILITIES WORK ORDER 0604449

The Board of Public Utilities approved the estimated capital expenditure of \$78,000 for the purchase and installation of four Heating Venting Air Conditioning (HVAC) units at Springs Generation Facilities located at 2221 Eastridge.

Funds are available in the Substation Bus Upgrade Account No. 613000-470616.

(4) CIRCUIT 1228 UNDERGROUND / OVERHEAD LINE EXTENSION PROJECT WORK ORDER 060127-02

The Board of Public Utilities approved the estimated capital expenditure of \$600,000 to install underground primary line extensions to provide additional capacity on Circuit 1228 in the area of Palmyrita and Michigan Avenue.

Funds are available in the Major Feeders Account No. 613000-470633.

WATER ITEMS

(5) ARLINGTON AVENUE / CREST AVENUE – PHASE I WORK ORDER 0603074

The Board of Public Utilities approved the estimated capital expenditure of \$92,400 for the construction of 646 feet of an eight-inch and 40 feet of a four-inch water main, one fire hydrant and six services along Crest Avenue from Arlington Avenue to Gould Street. This new main will replace an existing four-inch steel water main, which has been constantly leaking

Work will be performed by City Forces. This project is part of the Public Utilities Board and City Council mandated replacement program.

(6) HUNTER PARK ASSESSMENT DISTRICT – WATER TRANSMISSION MAIN

PROJECT - WORK ORDER 800275

The Board of Public Utilities:

1. Authorized a budget transfer of \$600,000 from the Michigan Booster Feeder Account No. 6230000-470801 to the Hunter Industrial Park Assessment District Account No. 6230000-470799 of the Water Capital Fund; and
2. Approved the estimated capital expenditure of \$1,100,000 for Work Order No. 800275, which includes all design, construction, inspection change order contingencies, system connections, and service tie-overs for the Hunter Park Assessment District – Water Transmission Main Project.

(7) MOVED TO DISCUSSION CALENDAR

OTHER ITEMS

(8) CALIFORNIA INDEPENDENT SYSTEM OPERATOR (ISO) METER SERVICE AGREEMENT FOR ISO METERED ENTITIES

The Board of Public Utilities approved and recommended that the City Council approve and authorize the City Manager, or his designee, to execute the California Independent System Operator and City of Riverside Meter Service Agreement for ISO Metered Entities.

DISCUSSION CALENDAR

(7) PROPOSED CHANGES TO WATER UTILITY RULES AND DEVELOPMENT FEES

Board Member Stockton requested this item be placed on the discussion calendar because items regarding fee changes should, as matter of policy, be on the discussion calendar, with staff providing an update of associated rule or fee changes.

Assistant Director/Water Kevin Milligan gave a brief update on the proposed changes to the water utility rules and development fees and indicated this item required the adoption of a resolution by the Board to put into place recommended changes to the Water Utility Rules and Development Fees.

Assistant Director/Water Milligan stated that a Fee Study was last done in the mid-1970s and that one of his goals this year is to engage a consultant to go back and look at all of utilities' development fees to assess how these fees are structured and if the appropriate costs are being applied to the applicable fee structure.

The Board of Public Utilities:

1. Adopted and approved the proposed Water Rules and Fees, Resolution No. 2005-02, to become effective no sooner than 60 days after City Council approval; and
2. Recommended that the City Council adopt the appropriate resolution

approving the revised Water Rules and Fees.

Motion – Stockton. Second – Sutter.

Ayes: Hubbard, Anderson, Barnhart, Tavaglione, Sutter, Stockton, Acharya, Kraft, and Newberry, Jr., P.E.

Noes: None

Abstain: None

Absent: None

(9) ELECTRICAL OVERHEAD TO UNDERGROUND CONVERSION AND INSTALLATION OF ORNAMENTAL STREET LIGHTING FOR LA SIERRA AVENUE – WORK ORDERS 05001301 AND 06013101

Deputy Director Steve Badgett reported that this project is not part of the current Capital Improvement Program and that on March 15, 2005, a Public Hearing was held and the City Council adopted Resolution No. 20899 establishing the La Sierra Avenue Underground District. The Resolution requires that all aerial facilities be undergrounded, including telephone and cable television. Public Utilities, SBC, and Charter Communications will be participating in a joint trench venture.

Deputy Director Badgett stated that on December 6, 2005, the City Council approved an additional appropriation from the Public Utilities Electric Fund Balance in the amount of \$2,500,000. The construction will be funded from Electric Utility' reserves. The City of Riverside will be reimbursed from SBC and Charter Communications for their participation in this project.

Board Members expressed concern regarding this item going to City Council prior to presentation to the Board. This concern was expressed to Assistant City Manager, Michael Beck who was in attendance at the Board meeting.

The Board indicated, on matters of this nature and magnitude, a special meeting of the Board or a special convening of the Electric Committee should have taken place before City Council action.

Board Member Conrad Newberry, Jr., P.E., expressed his concern that any Board action on this item provided little value since City Council has already approved the project and necessary appropriation.

Because of these many concerns, the Board instructed staff to send a memo to the City Manager regarding the need to adhere to the approval process outlined in the City Charter.

Assistant City Manager Michael Beck updated the Board that the City was investigating a new ordinance referred to as the "Kelly Ordinance" that would enable the City to perform infrastructure improvements and recover the associated costs once development begins.

The Board of Public Utilities:

1. Approved Work Order 05001301 in the amount of \$2,300,000 to underground the electrical facilities on La Sierra Avenue in Underground Utility District; and
2. Approved Work Order 06013101 in the amount of \$530,000 for the ornamental street lighting on La Sierra Avenue.

Motion – Barnhart. Second – Tavaglione.

Ayes: Hubbard, Anderson, Barnhart, Tavaglione, Sutter, Stockton, Acharya, and Kraft.

Noes: Conrad Newberry, Jr., P.E.

Abstain: None

Absent: None

(2) STREETLIGHT INSTALLATION PROJECT
SUBPROJECT NO. 050013-01

Staff requested this item be placed on the discussion calendar because it was incorporated in the above Item 9's report.

The Board of Public Utilities approved the estimated capital expenditure of \$530,000 to install street lighting along La Sierra Avenue from Indiana Avenue to Cleveland Avenue.

This is in conjunction with Public Works' La Sierra Street Improvement.

Motion – Barnhart. Second – Stockton.

Ayes: Hubbard, Anderson, Barnhart, Tavaglione, Sutter, Stockton, Acharya, Kraft, and Newberry, Jr., P.E.

Noes: None

Abstain: None

Absent: None

(10) UPDATE OF STRATEGIC GOALS - PRESENTATION

General Manager Dave Wright gave an update on the strategic goals. The Board requested staff to provide more information on some of these goals. General Manager Wright indicated the report would be revised to include new objectives and would be added as a standing item at the monthly Finance/Marketing Committee and brought to Board on a quarterly or semi-annually basis.

After questions and answers, the Board of Public Utilities received and filed this presentation.

(11) UPDATE ON RIVERSIDE PUBLIC UTILITIES LOCAL CONTRACTOR PROCEDURES ON CONSTRUCTION PROJECTS

Assistant Director/Finance Jerry Rogers explained the city's purchasing procedures to insure that local contractors and local providers of goods and services are notified. Additional activities include:

- a 5% preference for local providers of goods
- formal bids and informal bids posted on the website
- bids advertised locally in the Press Enterprise
- bids advertised in trade papers and journals
- the use of the Business tax database to find and identify local contractors in Riverside
- a list of contractors in Riverside is maintained for specific projects
- online bidding process in the near future

After discussion, the Board of Public Utilities received and filed this oral report.

(12) UPDATE ON RIVERSIDE PUBLIC UTILITIES' INTERN RECRUITMENT PROCEDURES

Assistant Director/Water Kevin Milligan reported on the Riverside Public Utilities' intern recruitment procedures.

- In early 2005 the Board of Public Utilities and City Council approved an intern program and the creation of four new full-time/part-time positions, one for each of the respective divisions of the Public Utilities
- Richard Small, an intern from UCR, who is working in the water division was introduced to the Board
- Recruitment efforts have been made at local universities by posting job flyers and attending job fairs
- Ongoing recruitment efforts also by the City's Human Resources Department.

Board Member Stockton suggested offering a \$1,000 scholarship to interns that show real potential while working with Public Utilities as an incentive to remain with RPU. Board Member Sutter suggested a loan program, offering school loans that could be forgiven when the intern begins to work full-time for the utilities after graduation.

After questions were answered, the Board of Public Utilities received and filed this oral report.

(13) REPRESENTATIVES FOR THE GAGE CANAL COMPANY BOARD OF DIRECTORS

Assistant Director/Water Kevin Milligan reported that the City of Riverside owns approximately 59 percent of the shares of the Gage Canal Company. The Board of Public Utilities (Board) has historically nominated three members to the 11-member Gage Board of Directors. Riverside Public Utilities (RPU) Board Member Newberry will cycle off the Board in March 2006. Staff recommends that the Board designate a new representative to the Gage Board for the 2006 calendar year. Currently, Board Member Stockton and former City Council Member Laura Pearson represent the City of Riverside.

The Board of Public Utilities nominated Board Member David Barnhart to replace Conrad Newberry, Jr., P.E., on the Gage Canal Company Board of Directors

beginning at the March 2006 meeting.

Motion – Anderson. Second – Tavaglione.

Ayes: Hubbard, Anderson, Barnhart, Tavaglione, Sutter, Stockton,
Acharya, Kraft, and Newberry, Jr., P.E.

Noes: None

Abstain: None

Absent: None

(14) ITEMS FOR FUTURE BOARD OF PUBLIC UTILITIES CONSIDERATION AS
REQUESTED BY MEMBERS OF THE BOARD OF PUBLIC UTILITIES

Vice-Chair Jim Anderson requested that the report on the Water Plan that will be presented to the Board as a workshop on January 20, 2006 be sent out in advance to the Board for review.

DIRECTOR'S REPORT

- (A) Open and Closed Work Orders – November 2005
- (B) Monthly Update of Goals
- (C) Monthly Benchmark Report Cards – November 2005
- (D) Water Highlights – November 2005
- (E) Financial Statements – October 2005
- (F) Rolling Calendar Outlining Future Utility Projects as of December 9, 2005
- (G) City Council Agenda – December 6, 2005 (December 13, 2005 was cancelled)

SYSTEMATIC REPORTING ON CONFERENCES / SEMINARS / BOARD MEETINGS

UPCOMING MEETING

Chairman Peter Hubbard adjourned the meeting at 9:22 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, January 6, 2006**, at **8:15** a.m. in the Art Pick Council Chamber at City Hall located at 3900 Main Street in Riverside, California.

By: _____
David H. Wright, Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: January 20, 2006